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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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EXAMINER

GARG, YOGESH C

ART UNIT	PAPER NUMBER
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3625

DATE MAILED: 01/02/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/540,011

Applicant(s)

KIGHT ET AL.

Examiner

Yogesh C Garg

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 17 October 2003.
- 2a) ☐ This action is FINAL. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 36-50 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 36-50 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. §§ 119 and 120

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
* See the attached detailed Office action for a list of the certified copies not received.
- 13) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application) since a specific reference was included in the first sentence of the specification or in an Application Data Sheet. 37 CFR 1.78.
a) ☐ The translation of the foreign language provisional application has been received.
- 14) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121 since a specific reference was included in the first sentence of the specification or in an Application Data Sheet. 37 CFR 1.78.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892) 4) ☐ Interview Summary (PTO-413) Paper No(s). _____
- 2) ☒ Notice of Draftsperson's Patent Drawing Review (PTO-948) 5) ☐ Notice of Informal Patent Application (PTO-152)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449) Paper No(s) _____ 6) ☐ Other: _____

DETAILED ACTION

1. In view of the appeal brief filed on 10/8/03 and Supplemental brief filed on 10/17/2003, PROSECUTION IS HEREBY REOPENED. New grounds of rejection are set forth below.

To avoid abandonment of the application, appellant must exercise one of the following two options:

- (1) file a reply under 37 CFR 1.111 (if this Office action is non-final) or a reply under 37 CFR 1.113 (if this Office action is final); or,
- (2) request reinstatement of the appeal.

If reinstatement of the appeal is requested, such request must be accompanied by a supplemental appeal brief, but no new amendments, affidavits (37 CFR 1.130, 1.131 or 1.132) or other evidence are permitted. See 37 CFR 1.193(b)(2).

Claim Rejections - 35 USC § 101

2. **35 U.S.C. 101 reads as follows:**

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 36-40 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

The United States Constitution under Art. I, §8, cl. 8 gave Congress the power to "[p]romote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries". In

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carrying out this power, Congress authorized under 35 U.S.C. §101 a grant of a patent to "[w]hoever invents or discovers any new and useful process, machine, manufacture, or composition or matter, or any new and useful improvement thereof." Therefore, a fundamental premise is that a patent is a statutorily created vehicle for Congress to confer an exclusive right to the inventors for "inventions" that promote the progress of "science and the useful arts". The phrase "technological arts" has been created and used by the courts to offer another view of the term "useful arts". See *In re Musgrave*, 167 USPQ (BNA) 280 (CCPA 1970). Hence, the first test of whether an invention is eligible for a patent is to determine if the invention is within the "technological arts".

Further, despite the express language of §101, several judicially created exceptions have been established to exclude certain subject matter as being patentable subject matter covered by §101. These exceptions include "laws of nature", "natural phenomena", and "abstract ideas". See *Diamond v. Diehr*, 450, U.S. 175, 185, 209 USPQ (BNA) 1, 7 (1981). However, courts have found that even if an invention incorporates abstract ideas, such as mathematical algorithms, the invention may nevertheless be statutory subject matter if the invention as a whole produces a "useful, concrete and tangible result." See *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* 149 F.3d 1368, 1973, 47 USPQ2d (BNA) 1596 (Fed. Cir. 1998).

This "two prong" test was evident when the Court of Customs and Patent Appeals (CCPA) decided an appeal from the Board of Patent Appeals and Interferences (BPAI). See *In re Toma*, 197 USPQ (BNA) 852 (CCPA 1978). In *Toma*, the court held that the recited mathematical algorithm did not render the claim as a whole non-statutory using the Freeman-Walter-Abele test as applied to *Gottschalk v. Benson*, 409 U.S. 63, 175 USPQ (BNA) 673 (1972). Additionally, the court decided separately on the issue of the "technological arts". The court developed a "technological arts" analysis:

The "technological" or "useful" arts inquiry must focus on whether the claimed subject matter...is statutory, not on whether the product of the claimed subject matter...is statutory, not on whether the prior art which the claimed subject matter purports to replace...is statutory, and not on whether the claimed subject matter is presently perceived to be an improvement over the prior art, e.g., whether it "enhances" the operation of a machine. In re Toma at 857.

In Toma, the claimed invention was a computer program for translating a source human language (e.g., Russian) into a target human language (e.g., English). The court found that the claimed computer implemented process was within the "technological art" because the claimed invention was an operation being performed by a computer within a computer.

The decision in State Street Bank & Trust Co. v. Signature Financial Group, Inc. never addressed this prong of the test. In State Street Bank & Trust Co., the court found that the "mathematical exception" using the Freeman-Walter-Abele test has little, if any, application to determining the presence of statutory subject matter but rather, statutory subject matter should be based on whether the operation produces a "useful, concrete and tangible result". See State Street Bank & Trust Co. at 1374. Furthermore, the court found that there was no "business method exception" since the court decisions that purported to create such exceptions were based on novelty or lack of enablement issues and not on statutory grounds. Therefore, the court held that "[w]hether the patent's claims are too broad to be patentable is not to be judged under §101, but rather under §§102, 103 and 112." See State Street Bank & Trust Co. at 1377. Both of these analysis goes towards whether the claimed invention is non-statutory because of the presence of an abstract idea. Indeed, State Street abolished the Freeman-Walter-Abele test used in Toma. However, State Street never addressed the second part of the

analysis, i.e., the "technological arts" test established in *Toma* because the invention in *State Street* (i.e., a computerized system for determining the year-end income, expense, and capital gain or loss for the portfolio) was already determined to be within the technological arts under the *Toma* test. This dichotomy has been recently acknowledged by the Board of Patent Appeals and Interferences (BPAI) in affirming a §101 rejection finding the claimed invention to be non-statutory. See *Ex parte Bowman*, 61 USPQ2d (BNA) 1669 (BdPatApp&Int 2001).

In the present application, Claims 36-40 have no connection to the technological arts. None of the steps indicate any connection to a computer or technology. The step of receiving a request to pay a bill associated with a merchant on behalf of a consumer over a network could be performed manually by a person physically delivering the bills to a "network" of bill handlers or service providers. The term "network" could also include sending the bills through the US Postal network, using a courier service such as UPS to deliver the brand promotions through its network of carriers, etc. Further, limitations such as searching a master merchant file database and adding merchants to a master merchant file database could be performed manually by searching a list of merchants in a paper file and adding new merchants to this paper file. Similarly processing the request to generate an instruction to pay the bill can be performed manually by issuing instructions to manual workers to pay the bills by mailing checks to payees. Therefore, the claims are directed towards non-statutory subject matter. To overcome this rejection the Examiner recommends that Applicant amend the claims to better clarify which of the steps are being performed within the technological arts, such as incorporating a computer network or electronic network, electronic database, and computerized processing of the requests; for example: "receiving, via electronic network or a computer network, a request to pay a bill associated with a merchant on

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behalf of a consumer; determining if the merchant is included in an electronic master merchant file database". The other limitations/claims could be similarly amended to include a computer/electronic network and electronic database.

Claim Rejections - 35 USC § 103

3. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

This application currently names joint inventors. In considering patentability of the claims under 35 U.S.C. 103(a), the examiner presumes that the subject matter of the various claims was commonly owned at the time any inventions covered therein were made absent any evidence to the contrary. Applicant is advised of the obligation under 37 CFR 1.56 to point out the inventor and invention dates of each claim that was not commonly owned at the time a later invention was made in order for the examiner to consider the applicability of 35 U.S.C. 103(c) and potential 35 U.S.C. 102(e), (f) or (g) prior art under 35 U.S.C. 103(a).

Claims 36-50 are rejected under 35 U.S.C. 103(a) as being unpatentable over Lawlor et al. (US Patent 5,220,501), hereinafter, referred to as Lawlor and further in view of White et al. ; " 4-in-1 Accounting: The basics from Real-World."; PC Magazine,

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v4, n20, p167-168, extracted on Internet from Dialog file 47, Accession# 02746427 on 12/19/2003, hereinafter, referred to as White. Pls. Note the White article includes 5 pages and they have been marked as 1,2,3,4,and 5.

Regarding claim 36, Lawlor teaches a method for paying bills (see at least abstract and col.6, lines 37-44, "*.....In particular, the present invention provides a practical, cost-effective, workable system and method for delivering banking and other financial services (including **billpaying capabilities**) to remote sites such as customer homes and offices.....* "), comprising the steps of:

receiving, via a network, a request to pay a bill associated with a merchant on behalf of a consumer;

processing the request to generate an instruction to pay the bill

(For the above limitations, see at least col.7, lines 5-24, "*An asynchronous communications link is connected to a telephone company **public data network (or other digital packet network)** between the remote terminal and a central computer system operated by the service provider. A central computer system analyzes and processes the user payment instructions--**typically processing a user's request for many discrete financial transactions at one time.** The central computer stores information about these transactions in a database it maintains, and then generates electronic funds transfer (EFT) requests which it communicates to the user's bank via an ATM network/switch. For example, the central computer system may debit the user's account at his bank (e.g., via a POS debit message passed over the ATM*

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network) and electronically transfer the funds to a holding account or bank. The central computer then **distributes the funds (bill payments) to the payees** requested by the user. ". Note: the central computer receives the requests from consumer for bill payments associated with payees. The payees, in Lawlor, correspond to the merchants to whom the bill payments are to be distributed.);

determining if the merchant is included in a master merchant file database (see at least col.12, lines 21-26, " *Most costs are incurred in responding to user inquiries, correcting payee posting errors, **maintenance of payee databases**, "*. See also col.14, lines 7-9, col.33, lines 24-34, col.33, lines 51-60, " ... *The payee/vendor information file is accessed to determine his status, electronic or paper payment..... "*, and col.43, lines 20-22, " *If desired, the initial listing displayed by block **516 may constitute a listing of categories of payees rather than individual payees**.... "* .

Note: As analyzed above the payees, in Lawlor, correspond to the merchants. Here, Lawlor explicitly discloses maintaining master merchant file database. Lawlor's disclosing of a category of payees instead of individual payees shows that Lawlor maintains a master merchant file database applicable to all users. Further, in Col.43, lines 25-46, [*In the preferred embodiment, a different payee is displayed on each of these lines to permit the user to select a desired payee by depressing one of select keys 108 pointing to the displayed payee name. Generally, then, a particular user will have a longer list of payees than may be displayed on display 102 simultaneously. If the user does not select one of the displayed payees (e.g., by either not depressing one of select keys 108 or by pressing the PRIOR or NEXT key 104,106) (as tested for by*

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decision block 518), central computer 52 attempts to display the "next" or "previous" 4-payee sublist of the user's payee list (decision block 520,522,516). Thus, blocks 516-522 may be visualized as defining a 4-line long "window" scrolling up and down through a user payee list that may be of any desired length. If the user reaches the end of his payee list without making a payee selection, block 524 is programmed to return to the beginning of the bill process routine 392 shown in FIG. 13. ".] Lawlor discloses allowing the user to select a payee and if the payee is not found from the displayed list the user is returned to the beginning of the bill process routine. While the user is looking at the displayed list of payees retrieved from the master merchant file database he mentally determines if the required payee/merchant is there or not and if the merchant is not there he does not select the payee from the displayed list and finally returned to the beginning of bill pay routine..).

Lawlor does not expressly discloses adding the merchant to the master merchant file database if the merchant is determined to not be included in the master merchant file database. However, White, in the same field of bill payments, discloses the use of a software which teaches adding the merchant to the master merchant file database if the merchant is determined to not be included in the master merchant file database. (see at least marked page 4, lines 21-32, " *The accounts payable (and accounts receivable, as well) module has a handy feature that allows you to add a vendor (or customer) "on the fly."* For example, if you are in the bills payable function and find that you need to enter an invoice for a vendor not yet established in you vendor file, you are not required to

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exit the bills payable function in order to use the vendor maintenance function to add that vendor. You enter the new vendor 's name, and the system will display the message " Vendor not on file--do you wish to add it?" When you answer yes, the system immediately displays a vendor add screen. When you finish entering the appropriate data, the system returns you to the bills payable function. This type of feature, though not truly an accounting function, sure does make the system more accommodating to the small-business environment. "). In view of White, it would have been obvious to a person of an ordinary skill in the art at the time of the applicant's invention to have modified Lawlor to incorporate White's teachings of adding the merchant to the master merchant file database if the merchant is determined to not be included in the master merchant file database. Doing so makes the system more convenient, efficient and faster as one does not have to exit from the bill paying routine to update the master merchant filed database and then enter again the bill paying routine.

Regarding claim 37, Lawlor teaches a method for maintaining a master merchant file database (see at least col.12, lines 21-26, "*Most costs are incurred in responding to user inquiries, correcting payee posting errors, **maintenance of payee databases**,* ". See also col.14, lines 7-9, col.33, lines 24-34, col.33, lines 51-60, " ...*The payee/vendor information file is accessed to determine his status, electronic or paper payment.....* ", and col.43, lines 20-22, "*If desired, the initial listing displayed by block 516 may constitute a listing of categories of payees rather than individual*

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payees.... " . Note: As analyzed above the payees, in Lawlor, correspond to the merchants. Here, Lawlor explicitly discloses maintaining master merchant file database. Lawlor's disclosing of a category of payees instead of individual payees shows that Lawlor maintains a master merchant file database applicable to all users.), comprising the steps of:

receiving a list identifying merchants from a consumer (see at least col.10, lines 66-68, *"To use billpaying features, customers provide the service provider in advance with a list of payees (names, account numbers, addresses). "*;

Lawlor further teaches maintaining and updating merchant databases (see at least col.12, lines 21-26, "*Most costs are incurred in responding to user inquiries, correcting payee posting errors, **maintenance of payee databases**,*" and col.20 and lines 40-43) and that the said databases include information associated with merchants that has been received from other consumers (col.43, lines 20-22, *".....If desired, the initial listing displayed by block **516 may constitute a listing of categories of payees rather than individual payees....** " . Note: As analyzed above the payees, in Lawlor, correspond to the merchants. Here, Lawlor explicitly discloses maintaining master merchant file database. Lawlor's disclosing of a category of payees instead of individual payees shows that Lawlor maintains a master merchant file database applicable to all users/consumers.).*

Lawlor does not expressly discloses searching a master merchant file database to determine if information associated with one of the identified merchants is included in the master merchant file database and adding information associated with the one

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identified merchant to the master merchant file database if information associated with the one identified merchant is determined not to be included in the master merchant file database.

However, White, in the same field of bill payments, discloses searching a master merchant file database to determine if information associated with one of the identified merchants is included in the master merchant file database and adding information associated with the one identified merchant to the master merchant file database if information associated with the one identified merchant is determined not to be included in the master merchant file database (see at least marked page 4, lines 21-32, "*The accounts payable (and accounts receivable, as well) module has a handy feature that allows you to add a vendor (or customer) 'on the fly.'*" For example, if you are in the bills payable function and find that you need to enter an invoice for a vendor not yet established in your vendor file, you are not required to exit the bills payable function in order to use the vendor maintenance function to add that vendor. You enter the new vendor's name, and the system will display the message "Vendor not on file—do you wish to add it?" When you answer yes, the system immediately displays a vendor add screen. When you finish entering the appropriate data, the system returns you to the bills payable function. This type of feature, though not truly an accounting function, sure does make the system more accommodating to the small-business environment. ").

Note: The step of entering a vendor for an invoice and finding that the vendor is not in the vendor file inherently includes the step of searching the vendor in the vendor file. In White, vendor and vendor file corresponds to merchant and master merchant file

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database as claimed). In view of White, it would have been obvious to a person of an ordinary skill in the art at the time of the applicant's invention to have modified Lawlor to incorporate White's teachings of searching a master merchant file database to determine if information associated with one of the identified merchants is included in the master merchant file database and adding information associated with the one identified merchant to the master merchant file database if information associated with the one identified merchant is determined not to be included in the master merchant file database.. Doing so makes the system more convenient, efficient and faster as one does not have to exit from the bill paying routine to update the master merchant filed database and then enter again the bill paying routine.

Regarding claims 38, 39, and 40, all the limitations are already covered in claims 36 and 37, except for the limitation, receiving a plurality of payment records, and each of the records identifying a merchant. Lawlor shows receiving a plurality of payment records, and each of the records identifying a merchant (see at least col.10, line 66-col.11, line 15, "*..To use billpaying features, customers provide the service provider in advance with a list of payees (names, account numbers, addresses). A typical household (owning an ATM card) writes 26 checks per month and the list might, for example include payments for: utilities--telephone, gas, water, electricity, cable TV; residential--rent, mortgage, home, insurance;and ...miscellaneous--child care, tuition, church, vacation home, domestic employees, etc.* " . Therefore, claims

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38, 39 and 40 are analyzed and rejected as being unpatentable over Lawlor in view of White on the basis of same rational as discussed for claims 36 and 37 above.

Regarding system claims 41-45, their intended functions correspond to the method steps of claims 36-40 and are therefore analyzed and rejected as being unpatentable over Lawlor in view of White on the basis of same rational. As regards system elements, network interface, a storage device to store master merchant file database and a processor to execute the intended functions Lawlor discloses them (see at least FIG.1 and col.17, lines 43-57. Central computer system 52 with CPU-80 corresponds to the processor as claimed, Database 84 corresponds to the storage device as claimed, and the PDN switch 56, the packet assembler/disassembler 58, the communications interface 60, and dialup telephone lines 62 correspond to the network interface as claimed.

Regarding an article of manufacture claims 46-50, their intended functions correspond to the method steps of claims 36-40 and are therefore analyzed and rejected as being unpatentable over Lawlor in view of White on the basis of same rational. As regards the article of manufacture elements, a computer readable medium and computer programming stored on the medium to execute the intended functions Lawlor discloses them (see at least FIG.1 and col.17, lines 43-57. Central computer system 52 with CPU-80 with database 84 and the PDN switch 56, the packet

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assembler/disassembler 58, the communications interface 60, and dialup telephone lines 62 , etc...).

Conclusion


Any inquiry concerning this communication or earlier communications from the examiner should be directed to Yogesh C Garg whose telephone number is 703-306-0252. The examiner can normally be reached on M-F(8:30-4:00).

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Wynn W Coggins can be reached on 703-308-1344. The fax phone number for the organization where this application or proceeding is assigned is 703-305-7687.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is 703-308-1113.


Yogesh C Garg
Examiner
Art Unit 3625

YCG
December 22, 2003


Jeffrey A. Smith
Primary Examiner
Acting SPE
AU 3625